



# Guideline on Pricing

By Dr Tan Yia Swam

(Overheard at a food centre)

**Ah Heng:** *Walau*, disgraceful! I dunno why those jokers overpriced the prawns by so much? Now everyone is unhappy, and we honest food sellers got bad rep. I heard that the authorities are going to ask the Food Sellers Association to set up a Guideline on Pricing so that no one can charge exorbitant prices ever again!

**Ah Teck:** *Aiyah*, you haven't been in the business long enough – there already WAS such a guideline some years ago, but then, some authority tell us say cannot, because it restricts competition. The logic was that if everyone charges about the same price, then no one will want to cook well or improve their culinary skills. We advised strongly against it, precisely because we could foresee this problem, but it was still removed.

**Ah Heng:** *Walau!* Some of us got pride one, ok? I want to be the best Hokkien Mee seller, even though I started only one year ago. I will continue to work hard and improve my sauce and my food so more and more people come and I can appear on “Yummy King”, or even “icatishootipost”!

**Ah Teck:** You think so easy *ah*, there're so many stalls like yours out there, you think they will all just rest and let you

be number one is it? It's hard work running your own stall, I tell you, not like if you're working in a *KoffeeShop* franchise. When working in a group, difficult to have pride because you not selling your own product *mah*, and the boss will restrict you on the type of raw ingredients to use.

**Ah Heng:** Still, I will try! So now that there's no GOP, people overcharge and no one can do anything?

**Ah Teck:** Well, overall, some of us like it cos we get to control our own prices – depending on the cost of the ingredients, how much you think your skills are worth, how much you need to pay your helpers, and of course, how much profit margin you want. It's only a few black sheep who con foreigners. Some just get angry and go back home full of anger; some know to complain to the right people. The photo in the newspaper very clear, especially the circled price!

**Ah Heng:** You mean this has been happening all along?

**Ah Teck:** Of course *lah!* *Wah*, you acting innocent *ah?* So many stories out there, some true, some not. But we do feel that if these customers don't do their own research before buying, then too bad for them! No one force them to buy from the stall what. Also, some LIKE

the idea of being able to brag that they ate THAT expensive platter from THAT famous stall!

**Ah Heng:** Ok, then what's the problem? Leave things as they are *lor...*

**Ah Teck:** You dumb or what?? After that prominent complaint in the newspaper, of course authorities need to respond *lah!* After all, we are a tourism hub and now the whole world knows you can buy almost anything here in Singapore, even organs!

**Ah Heng:** You mean human organs???

**Ah Teck:** No *lah, walau*, you trying to get me arrested is it? My surname is Tan you know; the only famous person called Tan Ah Teck is the father from “Under One Roof”! I'm referring to MY famous pig organ soup, among the best in Singapore and probably the region!

**Ah Heng:** Why you qualify your claim so much?

**Ah Teck:** We all signed an agreement not to self-advertise as “the best”; otherwise people staying in other parts of Singapore all come here to eat, then those stalls there got no business, they will get unhappy. Then I find pig head in my bed.

**Ah Heng:** So complicated... all I wanted was to sell good food, and make people happy when they enjoy a plate of my Hokkien mee. Now I find so much trouble brewing. Sigh, I should have studied harder and be a professional, like an engineer or a doctor, I'm sure they don't have such problems.

**Ah Teck:** Tsk tsk tsk... displaying your youth, innocence and ignorance. Wake up, boy! Open your eyes! Anyway, I tell you something top secret – the FSA Council got asked to propose to put back GOP. But many obstacles in the way. *Kek sim ah*. I had to pay out of my own pocket to pay the relevant authorities just to consider our proposal. Need to sell more bowls of pig organ soup just to make up for the loss. Maybe even start selling human organ – I joking only, joking only!

**Ah Heng:** Huh? I'm confused. When GOP was removed, the FSA advised against it, but it was done. Now, someone feels it should be put back, so asked you all to do it, and you all have to pay to ask someone to consider putting it back? I hope it was successful!

**Ah Teck:** Hahaha, you obviously never came up against a brick wall of sheer stubbornness in people who cannot admit they were wrong and just want to refuse you everything. In reply to our proposal, they politely asked us some questions that will help them better understand FSA's membership profile, the various facets of competition, the impact of GOP on individual stall holders and franchises, the issue of information asymmetry between customers and providers of food, the nature and extent of "overcharging" as a problem in the food-selling business as well as the effectiveness of the GOP in addressing the issue.

**Ah Heng:** What do you mean by, "some"?

**Ah Teck:** Forty-two.

**Ah Heng:** What???? Why??? How????

**Ah Teck:** Maybe because it's the answer to everything. I dunno. I never went to school, how I know what these degree holders think?

**Ah Heng:** So what did they ask?

**Ah Teck:** So many how to tell you? Go see the full list on our website.

**Ah Heng:** We have a website???

**Ah Teck:** For one so young, you quite *sotong leh* – yes! Go check! But just to share with you some of the more interesting ones-

*Please explain if there is any particular food stall in Singapore where customers have limited choices in their selection of stalls (whether franchise or individual)*

*FSA has, at paragraph 3.1.2 of its application, alluded to the events leading to the inception of the GOP in 1987. Please elaborate by providing details of all communications between FSA (and/or the Association of Individual Stall Owners, if available) and any government agency, pertaining to the GOP, prior and up to its inception in 1987. Supporting documents should also be furnished.*

*In FSA's opinion, what are the potential types of improper practices by food-sellers which may be facilitated by information asymmetry between customers and sellers. Please illustrate with specific cases or examples.*

*Please describe FSA's processes for handling of complaints relating to 'overcharging', prior to the withdrawal of the GOP in April 2007. Your answer should include:*

- i. The means by which FSA determined if the price charged was excessive; (For example, would FSA approach:
 
  - the GOP Committee;
  - or the food-sellers whose views were sought in setting the price recommended by the GOP for the dish; for views as to the reasonableness of the price that had been charged?)*
- ii. the measures taken by FSA in those cases where the allegations of 'overcharging' were made out; and*

*iii. the recourse available to FSA in the event that the offending food-seller did not comply with FSA's measures. Specific cases or examples should be provided, where relevant.*

We have to answer 42 questions like these.

**Ah Heng:** Wah, interesting *ah*, pay to answer essay questions, like taking 'O-Level' Literature or General Paper! I thought you are all volunteers, how to find time to answer such questions – no need to work *meh*?

**Ah Teck:** *Ya lor* – so now we are in a tight spot *lor*. The black sheep hate us, those who are making a comfortable living hate us, the authority hates us, and the customers hate us as they think we did not protect their rights!

**Ah Heng:** So why are you doing this?

**Ah Teck:** It is a matter of principle. Some people have short term memories. We fight a losing battle, but if we don't do it, we may all lose. I'd rather the FSA determine the GOP, than having the authority do it, which may be by people who do not sell food, so they have no idea of the cost price for a dish, the cooking skills involved, and the satisfaction of seeing a customer empty his plate.

**Ah Heng:** How now then?

**Ah Teck:** We wait – we hope that more food sellers will read the full set of questions, and send in their thoughts on this matter. We need all the support we can get, and in this matter, we need to stand united, or we fall. Then there will be no more gourmet hawker food in Singapore, and we all have to eat from *KoffeeShop...* SMA



*Dr Tan has resolved her quarter-life crisis. No need for sportscars or branded handbags. A perfect day is one spent enjoying the sunset on a beach, in the company of that special someone. Having a martini and/or a margarita as well would be heavenly.*